

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1539 - HB 2005**

March 15, 2011

**SUMMARY OF BILL:** Requires all forms, premium rates, and classifications of risk be filed with the Commissioner of the Department of Commerce and Insurance for an individual, small, or large group policy or contract by a hospital and medical service corporation of accident and sickness insurance. Applies to any endorsement, rider, or application that becomes part of the policy and prohibits the issuance or delivery of the policy, endorsement, rider, or application until after 30 days of filing or until the Commissioner has determined premium rates are reasonable and provided written approval.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Currently, premium rates and classifications of risks for accident and sickness insurance policies are to be filed with the Commissioner for approval regarding the reasonableness of the premiums. Experience-rated group insurance policies are exempted and are not filed with the Department, but are maintained by the insurance companies and the hospitals and are to be made available for review upon the request of the Commissioner.
- The bill will require the exempted policies and contracts to receive prior approval. It also requires any modifications to approved forms or rates to accident and sickness policies be reviewed and approved prior to delivery or issuance.
- Expanding review and approval procedures to include experience-rated group insurance policies, hospital contracts, and any modifications will not result in a significant increase to the policies and contracts the Department has to review. Any fiscal impact to the Department will not be significant and can be accommodated within existing resources.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml